

AN ACT

relating to certain hearings concerning title insurance rates and other matters relating to regulating the business of title insurance.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2703.202, Insurance Code, is amended by adding Subsections (b-1), (b-2), (d-1), and (d-2) and amending Subsections (d), (g), (h), (k), and (l) to read as follows:

(b-1) An interested person by a written request to the commissioner may request a public hearing to consider changing a premium rate, including fixing a new premium rate. For the purposes of this subsection, "interested person" means:

- (1) a resident of this state;
- (2) a business entity doing business in this state;
- (3) a political subdivision located in this state; or
- (4) a public or private organization, other than a state agency, that is located in this state.

(b-2) Not later than the 60th day after the date of submission of a request under Subsection (b-1), the commissioner shall:

- (1) deny the request in writing, stating the reasons for the denial; or
- (2) initiate a hearing under Subsection (a).

(d) Notwithstanding Subsection (c), a person or entity

1 described by Subsection (b) or an interested person described by,
2 and subject to, Subsection (b-1) may petition the commissioner in
3 writing that a public hearing held under Subsection (a) or under
4 Section 2703.206 ~~[must]~~ be conducted by the commissioner as a
5 contested case hearing under Subchapters C through H and Subchapter
6 Z, Chapter 2001, Government Code. The petition must state the
7 grounds for the petitioner's request ~~[, at the request of:~~

8 ~~[(1) a title insurance company;~~

9 ~~[(2) an association composed of at least 50 percent of~~
10 ~~the number of title insurance agents and title insurance companies~~
11 ~~licensed or authorized by the department;~~

12 ~~[(3) an association composed of at least 20 percent of~~
13 ~~the number of title insurance agents licensed or authorized by the~~
14 ~~department; or~~

15 ~~[(4) the office of public insurance counsel].~~

16 (d-1) Not later than the 30th day after the date the
17 commissioner receives a petition under Subsection (d), the
18 commissioner shall hold a public hearing on the petition to
19 determine whether:

20 (1) the petition is made in good faith; and

21 (2) the grounds stated in the petition otherwise
22 justify conducting the proceeding as a contested case hearing.

23 (d-2) Not later than the 60th day after the date a petition
24 under Subsection (d) is submitted, the commissioner shall:

25 (1) deny the petition in writing, stating the reasons
26 for the denial; or

27 (2) grant the petition to initiate a hearing under

1 Subsections (a) and (h) as a contested hearing.

2 (g) If a hearing held under Subsection (a) is not conducted
3 as a contested case hearing, the commissioner shall render a
4 decision and issue a final order not later than the 120th day after
5 the date the commissioner receives a written request under
6 Subsection (b) or (b-1).

7 (h) If a hearing held under Subsection (a) is conducted as a
8 contested case hearing:

9 (1) not later than the 30th day after the date the
10 commissioner rules on a petition [~~receives a request~~] for a public
11 hearing under Subsection (d-2) [~~(b)~~], the commissioner shall issue
12 a notice of call for items to be considered at the hearing;

13 (2) the commissioner may not require responses to the
14 notice of call before the 60th day after the date the commissioner
15 issues the notice of call;

16 (3) the commissioner shall issue a notice of the
17 public hearing [~~requested under Subsection (d)~~] not later than the
18 30th day after the date responses to the notice of call are required
19 under Subdivision (2);

20 (4) the commissioner shall commence the public hearing
21 not earlier than the 120th day after the date the commissioner
22 issues a notice of hearing under Subdivision (3);

23 (5) the commissioner shall close the public hearing
24 not later than the 150th day after the date the commissioner issues
25 the notice of hearing under Subdivision (3); and

26 (6) the commissioner shall render a decision and issue
27 a final order not later than the 60th day after the record made in

1 the public hearing is closed under Subdivision (5).

2 (k) A party described by Subsection (b) or (b-1) may
3 petition a district court in Travis County to enter an order
4 requiring the commissioner to comply with the deadlines described
5 by this section if the commissioner fails to meet a requirement in
6 Subsection (g) or (h).

7 (l) Subject to Subsection (m), if the commissioner fails to
8 comply with the requirements under Subsection (g) or (h)(6), a
9 combination of at least three associations, persons, or entities
10 listed in Subsection (b) or (b-1) may jointly petition a district
11 court of Travis County to adopt a rate based on the record made in
12 the hearing before the commissioner under this section.

13 SECTION 2. Section 2703.203, Insurance Code, is amended to
14 read as follows:

15 Sec. 2703.203. PERIODIC HEARING. The commissioner shall
16 hold a public hearing not earlier than July 1 after the fifth
17 anniversary of the closing of a hearing held under this chapter to
18 consider adoption of premium rates and other matters relating to
19 regulating the business of title insurance that an interested
20 person, association, title insurance company, title insurance
21 agent, or entity [~~member of the public admitted as a party~~] under
22 Section 2703.204 requests to be considered or that the commissioner
23 determines necessary to consider.

24 SECTION 3. Section 2703.204, Insurance Code, is amended to
25 read as follows:

26 Sec. 2703.204. ADMISSION AS PARTY TO [~~PERIODIC~~] HEARING.

27 (a) Subject to this section, the following persons, associations,

1 and entities shall be admitted as parties to a contested case
2 hearing under Section 2703.202, the periodic hearing under Section
3 2703.203, or a hearing under Section 2703.206:

4 (1) a trade association whose membership is composed
5 of at least 20 percent of the members of an industry or group
6 represented by the trade association;

7 (2) [~~r~~] an association, [~~a~~] person, or entity
8 described by Section 2703.202(b);

9 (3) an interested person described by Section
10 2703.202(b-1); [~~r~~] or

11 (4) department staff ~~[shall be admitted as a party to~~
12 ~~the periodic hearing under Section 2703.203]~~.

13 (b) A party to any portion of the periodic hearing relating
14 to ratemaking may request that the commissioner remove any other
15 party to that portion of the hearing on the grounds that the other
16 party does not have a substantial interest in the subject matter of
17 the hearing ~~[title insurance]~~. A decision of the commission to deny
18 or grant the request is final and subject to appeal in accordance
19 with Section 36.202.

20 SECTION 4. This Act takes effect September 1, 2019.

H.B. No. 3228

President of the Senate

Speaker of the House

I certify that H.B. No. 3228 was passed by the House on May 3, 2019, by the following vote: Yeas 143, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3228 was passed by the Senate on May 21, 2019, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor